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# The Phenomenon of Trust in Flat Owners' Collective Renovation Strategies in Estonia

Liis Ojamäe\* & Katrin Paadam

## Abstract

Mobilising flat owners into renovating residential blocks in post-socialist countries has been a complicated process. Evidence from Estonia shows that the success of collective renewal strategies depends not only on economic issues but also on ways investments are organised and, significantly, the relationship of trust between different actors. The paper aims at conceptualising the issue of institutional trust upon the experience of urban housing renewal in Estonia. It is contended that trust is crucial for the joint decision-making in a block as well as for facilitating negotiations between flat owners' associations, local municipalities and market actors. The paper draws on three qualitative studies conducted in Estonia during the 2000s, which allow asserting that trust towards new strategies of housing renewal can be achieved and maintained by 'best practices', which by concentrating expert knowledge also denote direct communication between experts and flat owners. While it is important to raise the residents' technical knowledgeability, it is indispensable to develop abilities to manage and communicate the renovation process between different parties. The public sector is conceived to be a central actor in sustaining trust between actors who have no previous positive experience from collective residential strategies.

**Keywords:** trust, housing renewal, flat owners, collective action, Estonia.

## Introduction

The involvement and participation of tenants in housing renewal has for a while been a core issue in the respective policy and housing practices across Europe (Hall & Hickman, 2011). Regardless of high levels of owner-occupation in most of the former socialist countries, but also increasingly elsewhere, only little attention has been given to the flat owners' role in housing renewal, in policy as well as in research. As suggested by Yip and Forrest (2002, p. 704), home ownership is dominantly associated with independence and individuality in public discourse, far less with issues of 'collective action, mutual dependence and democratic participation' (ibid.), which alongside the increasing shares of flat ownership has become a reality for a significant number of owner-occupiers in Europe. Furthermore, management and renovation of collectively owned blocks is not only the concern of the residents of these blocks but is increasingly calling for the attention of urban policy makers and governments, to look for sustainable solutions in planning for the future of housing and the large-scale housing areas, in particular.

Housing renewal today highlights the question of sustainable housing futures and residents' quality of life on a number of policy levels, regarding the assessment of the need and possible strategies of renewal, dilemmas of renovation and demolishing, allocation of resources as well as management of the process. Its increasing topicality in terms of sustainability is, especially, pertinent when it comes to the energy efficient renovation of the older housing stock in most European countries. The issue

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is even more critical in CEE countries, where the share of post-WWII legacy, low quality large blocks in the total of older housing stock is considerably higher, and where the former public stock has been mostly privatised to sitting tenants during the recent societal transformation (Dekker, de Vos, Musterd & van Kempen 2011; Temelová, Novák, Ourednicek & Puldová. 2011; Paadam, 2009; Treija, 2009; Lepkova, 2009).

There is a growing recognition that the relative status and position of large-scale blocks in the specific housing market depends on the local circumstances: ownership relations and structures of housing stock, residential culture (Kovács & Herfert, 2012; Dekker, Hall, van Kempen & Tosics. 2005), as well as urban spatial structures and the general socio-economic context. It has been argued that in post-socialist countries the large-scale housing areas are distinct from similar areas in most of the Western European cities: the dominant form of tenure is owner occupation; the share of urban population living in these areas is very high, about 40% or more (in the cities of 'old' Europe typically below 10%); and the relative level of social marginalisation is often lower than elsewhere in Europe (Dekker & van Kempen, 2004; Dekker et al. 2005; Wiest, 2011; Kovacs & Herfert, 2012; Temelová et al. 2011). Although these areas have, at least partly, proven to continuously offer an affordable and, thus, preferred alternative to many social groups<sup>1</sup> (cf. Kovacs & Herfert, 2012; Temelova et al. 2011; Treija, 2009), spatial segregation is slowly progressing. A complex renovation of the existing older stock and the respective residential areas is also inevitable for raising the quality of life in these areas. The practice so far – slowly progressing and fragmented block-based renovation, which is dependent on mainly the individual capacities of flat owners – might have controversial effects. As also noted by Temelova et al. (2011), while 'piecemeal' investment into renewal and maintenance prevents downgrading, it simultaneously increases the inner differentiation and segregation of large-scale areas and does not enable an integrated improvement of the residential quality on a wider spatial scale, which is a necessary component of sustainable urban development.

There are indications in the literature that in case of collective decision-making and institutionalised action, residents who are resourceful, strongly attached to their neighbourhood and living in socially and ethnically homogenous small estates (Bengtsson, 1998) tend to be more successful. In any case, getting involved in taking care and renovating their property implies that flat owners have to realise strategies often unfamiliar from their previous residential experience. Specifically, in the former socialist bloc the legacy of the state-socialist and totalitarian regime has had an impact on the generally lower level of social trust (Markova, 2008) and discredited the collective strategies (Paadam, 2003). Furthermore, in addition to the massive investment needs involved with renovating the blocks, the limited economic capacity of the bulk of the flat owners, as well as the economic risks related to the cost-efficiency of the renovation, the collective decisions have to be jointly made by flat owners, who often have significantly diverse cultural experiences and different attitudes towards specific renovation and financial strategies (Ojamäe, Paadam & Liias, 2009).

As will be argued below, the role of institutions in creating and maintaining trustful relations between actors appears especially topical in initiating residents' collective decision-making in the post-socialist transforming societies. The issue of trust in housing management and residents' participation has been in previous research mainly conceptualised as social and/or interpersonal trust. In what follows, we aim to discuss the role of trust ascribed to institutional actors in the successful management of housing renewal. Our objective is to pursue the perspective of individual flat owners by considering their experiences and attitudes towards different forms of participation and collective decision-making. The analysis, which offers insights into the processes of mobilising residents into renovation investments and engaging in institutionalised collective action of flat owners, is based on three qualitative studies on Estonian flat owners and flat owners' associations (hereafter FOA, see more in section 3.1) conducted in Estonia during the 2000s.

1 This has been claimed also to be the case in Western parts of Europe, see Dekker et al., 2011.

## Trust in participation and collective action

In general terms, trust can be defined as an asymmetrical dependency relationship (Barbalet, 2009), forming on different levels in society: interpersonal, institutional and general social levels. Interpersonal trust can be based along a continuum between goodwill (values and norms, moral commitments) and competence (expert-knowledge, capability to control risk) (Purdue, 2001); on generalised personal characteristics like gender or ethnicity etc. as stereotypes (Zucker, 1986 in Möllering, 2006), and either on immediate or mediated past experiences. Social trust has been conceived of as a belief that others in society can generally be trusted. Social trust fosters participation (e.g. Putnam, 2000) and distrust, in turn, generates passiveness, an assumption confirmed in the analysis of (post-) totalitarian societies (Sztompka, 1999). The relationship is reciprocal as the feelings of powerlessness and exclusion can, in their turn, deplete social trust. Research findings enable to assert that economic resources and the individual perceptions of social and physical order in the neighbourhood have an impact on the formation of social trust and dispositions towards participation (Bakker & Dekker, 2011).

As to the institutional trust, it has been asserted that institutions can function as bases, carriers and objects of trust (Möllering, 2006, p. 365), representing intertwined relations between trust and institutions: institutions can be seen simultaneously as a source and object of trust. Acknowledging that institutions are effective only if they are trusted, by members as well as other institutional actors, and that institutions are based on trust on various levels gains central significance when it comes to profound societal restructuring (Offe, 1996), as has been recently experienced in the former socialist countries. Considered as a post-socialist syndrome across the former socialist block (e.g., see Häussermann & Oswald, 2001), the 'mental and moral dispositions' from the previous social regime (Offe, 1996, p. 212) have inhibited adaptation to the new institutional orders, which also relate to the changed ownership structures and individuals' tenure statuses (Paadam, 2002). It can be seen as a consequence of inexperience that evolved under the state socialist regime, which granted residents, mostly public sector tenants at the time, almost no possibility to influence the developments in their residential environment, except for in their rented flats (Paadam 2002). Moreover, coping with societal transformation and the following changes in housing relations has had diverse influences on different generations and individuals with differentiated personal capacities (Paadam, 2003), and concurrently on the formation of their trustful (or mistrustful) dispositions towards collective and institutionalised strategies in the field of housing. However, as trust inevitably builds on experience it can be actively created as well, which occurs as a by-product of the engagement of the actors (Möllering, 2006, p. 367), whereas both more distant and more recent, immediate as well as mediated (e.g. in media) experiences do matter.

Management of blocks owned by single flat owners has been approached in research often by the collective action theories (e.g. Hastings, Wong & Walters, 2006; Yau, 2011; Chen & Webster, 2005), largely from a rational choice perspective. Because of strong incentives for all involved actors to act as free riders (Olson, 1970; Elster, 1992), that is only as beneficiaries but not as participants in the production of respective services, from the perspective of rational choice theories there is no chance for the common goods to evoke collective action, unless the different individual(ised) expectations are stabilised by institutions that enable creating and retaining collective action (Bengtsson, 1998). Seen from the dual perspective, institutions are constraining as well as enabling action (Giddens, 1984), implying that institutions have to sanction against actions that are not in collective interests and predispose actions that serve the collective interests of the members, in our case the residents. Furthermore, as Giddens (1990) argues on modern institutions, trust is not vested in individuals but in abstract capacities attributed to the institution. It is seen as a central feature of contemporary

societies that lay persons need to rely in their routine activities on trust in expert systems, as a ‘form of faith’ (Giddens, 1990, p. 27), based upon the experience that such systems of professional expertise generally work even in case the lay persons have only ‘a partial understanding of their *knowledge base*’ (ibid., emphasis in original). In the current context of block renovation, this concerns fields as different as construction, engineering, financing, accounting and respective organisations, as well as institutionalised forms of residents’ common decision-making – the flat owners’ associations.

In different countries, the legal regulations of owners’ associations are differentiated, and, as indicated also by Yip and Forrest (2002, p. 706), the scales of required cooperation and collective responsibilities may also vary by the particular addressed issues within one organisation. Bengtsson (1998) has stressed that since residents’ motives for different modes of participation (decision-making, collective work etc.), are differentiated, a comprehensive understanding of the mechanisms of collective action needs to consider the situational and context-bound specificities of the process. Such a research approach is enabled by qualitative methodology, which is used in generating and analysing the data for current purposes as well.

## Research data and methods

As concerns understanding the collective action and its implications in the field evolving as a dynamic process of interactions (see also Clapham, 2012), it needs to be interpreted within an interplay between physical and social conditions on different scales of residential space – in flats, as well in a specific block and housing areas (Kemeny, 1992; Paadam 2003). The ways in which single flat owners perceive and/or reconstruct the possible costs and benefits of collective actions have to be inquired in empirical reality, which is subjected to ‘considerable diversity of interpretations,’ as it is always contingent and contested (Jacobs, Kemeny & Manzi, 2004, p.3). In line with the analytical focus of this paper, the social constructivist approach with qualitative in-depth enquiry is suggested to have a considerable potentiality fostering our understanding of the ways in which individual actors perceive options available for them, the reasoning behind their actual choices and, hence, participation in collective action. Thus, qualitative methods applied in the studies enable to explore the block renewal contextually and in detail and to explicate the formation of different attitudes and experiences with an in-depth focus.

While the issue of block management and renewal by FOAs in Estonia has been studied by the authors since the end of the 1990s (see Paadam, 2002; Tomson [Ojamäe], 2002; Ojamäe, 2005; Paadam & Ojamäe, 2015; Liias & Ojamäe, 2015), the findings presented in the current article are developed as a result of a meta-analysis of our three more recent sociological studies introduced below (see Table 1). The primary research approach of the current analysis is set in the social constructivist perspective, with the thematic analysis of qualitative in-depth interviews and field notes. The interview data from individual studies has been combined into one data corpus and thematically coded for the purposes of the current analysis.

In the text, notions such as flat owners, residents, and FOA members are used as synonyms; quotations from the interviews are anonymised and represent the genuine rhetoric of interviewees to support the argumentation.

**Table 1:** Research data

Study	Period of research	Data	Object and aim of research
Study 1: A case of block renovation in Tallinn	2007	1) a quantitative survey (sample: 81% of flat owners, n = 48), 2) a qualitative study, 10 in-depth interviews with residents; 3) on-site observations, discussions with the funders' representatives	The 5-storied block with 60 owner-occupied flats, completed in 1977 in one of the large-scale housing areas in Tallinn, was thoroughly reconstructed as a 'best practice' case in 2006-2007 (external financing: 24% of the total costs provided by the BSR Interreg III B BEEN grant and state funds (KredEx). <sup>2</sup> Sociological study, carried out after the completion of major renovation works, focused on the formation and dynamics of residents' and FOA leaders' dispositions towards block renovation and FOA management throughout and after renovation process
Study 2: A case of projective residential renewal in Rakvere	2009-2011	1) A qualitative study with residents (9 individual interviews) and FOA leaders (2 focus groups, 9 participants), 2) on-site observations and discussions with representatives of town government	In the framework of a project 'Energy Efficiency and Integrated Urban Development Action' (URB Energy, Baltic Sea Region Programme, see Paadam, Rikmann & Siilak, 2011), the qualitative study focused on the formation of small-town FOA leaders' and flat owners' dispositions towards management and potential realisation of a complex area-based urban and housing renewal project, involving the redesign of a wide public street area (to be financed by town government) and energy-efficient renovation of adjacent blocks from 1960s-1980s (to be financed by flat owners).
Study 3: A cross-country study of flat owners	2011-2012	34 in-depth interviews with flat owners in different types of urban blocks across Estonia	As part of a major research project on the technical condition of the residential blocks in Estonia, combining technical, economic as well as social and cultural aspects of block management and renovation, the sociological study aimed at understanding the flat owners' interpretations and assessments of residential quality and attitudes towards participation in the management and renovation of blocks

Source: authors' compilation

## In search of trust – flat owners and housing renewal in Estonia

### General observations on the issue of block management and renewal in Estonia

In Estonia, a large part of owner-occupied flats are still located in large-scale housing areas constructed during the Soviet period; despite the increasing diversification of the stock of blocks by quality, size, and location in the context of a market-based housing provision during the last two decades. The latest 2011 Population and Housing Census data indicate that privately owned flats constitute 68% of all housing stock,<sup>3</sup> the same figure broadly indicates the share of the population involved

<sup>2</sup> See <http://kredex.ee/energy-efficiency/been-project/>

<sup>3</sup> The remaining stock consists of 29% privately owned family houses and 2% flats in public housing blocks.

in FOA activities.<sup>4</sup> Although the membership in FOA is legally bound with flat ownership and does not necessarily imply an active involvement in FOA activities, it has been observed that initialisation of collective action on a block level brings issues of co-ownership and the related decision-making processes into the awareness of all involved flat owners (Ojamäe, 2005). On a broader level, such formalised participation has been noted to have a potential to facilitate the gradual learning process and familiarisation of individual flat owners into participation culture (Paadam & Ojamäe, 2015; Kruythoff, 2008).

In FOAs, flat owners may delegate the daily management to private property management companies or organise the management and simpler maintenance works amongst themselves. While the former strategy characterises mostly larger blocks, both from the Soviet period (partial service contracts) and especially newer blocks (full service contracts), stronger involvement of residents in property maintenance can be found more often in small-scale blocks (e.g. pre-WWII blocks). However, as our research evidence shows, the choices seem to be more led by economic arguments (older blocks) and/or convenience (newer blocks) than by the professional quality of the management services.

Although there have been innovative financial schemes available to support flat owners' investments into energy-efficiency in the form of partial grants as well as long-term favourable loans (for more information on currently active schemes, see [www.kredex.ee](http://www.kredex.ee)), these measures are still not sufficient considering the present condition of the housing stock as well as the generally low economic capacities of individual flat owners. In 2003-2011, 2,361 blocks were granted a use permit after completing (usually partial) reconstruction of the block, which comes to 1-2% of the total number of blocks in Estonia per annum (Paadam & Ojamäe, 2015), indicating only a slow advancement of the housing renewal.

### Formation of dispositions towards block renewal

Apparently, flat owners' economic resources tend to be scarce especially, but not exclusively, in those blocks that need the renovation the most. The ways in which flat owners act upon the economic capital at their disposal are, however, differentiated by their cultural capital – knowledge, understandings and attitudes formed in their previous social experience in different fields of activities (professional, family, etc.). This implies that those groups of residents who in public discourse are often claimed to oppose renovation because of economic scarcity (e.g. retired people) are also differentiated by their distinct educational and professional, as well as family and wider social backgrounds, which dispose them towards or prevent them from assessing and accepting strategies unknown from former individual experiences (e.g. taking a bank loan to invest in renovation).

The interview data indicates that flat owners' perception of the conditions of the block tends to be shaped based on the problems experienced in one's own individual flat rather than on a complex understanding of the technical and physical conditions of a block as a whole. As a rule, flat owners lack professional assessment competence on this level and too often also the interest in matters beyond their private premises.

4 Exact data is not available. In Estonia, there are two main institutional forms for managing the maintenance and renovation of blocks: 1) Flat owners association (FOA) – the prevailing form. Establishment of a FOA requires the agreement of at least 51% of flat owners; a legal body involving all flat owners is formed. 2) Communities of flat owners (CFOs), initially used in those blocks where FOAs had not been founded by July 1st 2001; the property management companies had been commissioned to assign a covenant to the block to organise maintenance and renovation of the block, with the consent of the flat owners. It operates as a legally defined relationship between flat owners. The main difference between FOAs and CFOs lies in the initialisation and institutionalised forms of decision-making. Our research shows that along the initialisation of renovation, flat owners in CFOs have strong incentives to reorganise into a FOA and have a legal body representing flat owners in negotiations with construction companies, banks, etc.



*Those from the fifth floor, those with the humidity problem, all of them are dis-content. But those who are from the third floor, those who have no problems whatsoever, no problems with cold, nothing, they find there is no need for (renovation of the heating system). This is where it all gets started. (Female, Study 3)*

As the FOA boards often fail to communicate respective information to FOA members, partial or inadequate individual unit-based understandings of renovation needs tend to persist. Even more complicated are the situations where the boundaries between private and common ownership are blurred, as in cases where the individually made changes in flats have an effect on the whole building, externally and internally: e.g. glazing the balconies with no common agreement or approval of possible architectural solutions for redesigning; or replacing radiators in individual flats to improve heating, which unbalances the heating system and causes problems in the whole block. Also, successful management might not be achieved due to the flat owners' conflicting perception of moral issues relating to rights and duties that accompany the phenomena of property ownership and fellow-residency.

*We have brought this issue up at our meetings that -eh- our house could take a somewhat unified look, to have it (the glazing) the same way for all (balconies). But the fact is that since this is a financial matter, none of the flat owners can be told, well, that they must do so. (Female, Study 3)*

Again, it depends on the management culture of the leaders as well as participation culture of the members, whether these questions will be negotiated, agreed upon and decisions taken and realised on the block level, even in circumstances of individual flat owners' different economic solvency. If the FOA fails in promoting an understanding that the use value and market value of a particular flat is dependent on the quality (including also the aesthetic value) of the building as a whole, and the private space continues to be disproportionately more highly valued against common interests in the shared space, it will seriously hamper the possibilities for a complex and sustainable renovation of the block.

As has been observed in media and housing market discourses, as well as in representations of the interviewed residents' experiences, it is generally recognised that a well-functioning FOA is perceived in Estonia as a guarantee for increasing the quality of life in blocks.

*Me too, I have noticed that when flats are sold in our house, the announcement says 'very well-functioning association'. It actually matters a lot to people, I would never go to live in a house which I do not know the real situation about and how the money is used that I am paying the association. This is very important. (Female, Study 2)*

Nevertheless, participation level in blocks is highly differentiated and relates broadly to the notion of residential culture. As appears from the research, the assumptions behind the critical perceptions of a lack of shared residential culture amongst the neighbours are to be found in the continuously persistent 'post-socialist' social mix of residents that tends to discourage individual participation in collective actions. Furthermore, individual engagement in the collective investment into renovation is shaped by individual perceptions of the economic and cultural capital of fellow flat owners, their preferences and understandings of possible renovation strategies. Even if the daily communication between the neighbours is typically low, residents draw their opinions about the FOA's renovation potential from what they observe and experience on a daily basis of the neighbours' behaviour in semi-public areas (such as corridors or courtyards), at previous FOA meetings, the information on their ability to pay for regular maintenance costs, i.e. on the perceptions of the neighbours' residential culture and their general capacity to contribute to the routine block management and collective decision-making process.



For the initialisation of block renewal, the flat owners' passiveness may prove as problematic as direct opposition, precluding collecting the needed votes of individual owners. The size of the block may have various effects: in smaller blocks the limited number of flat owners might facilitate the negotiations due to higher familiarity amongst the residents in comparison to larger blocks, but it might also lead to blocking all renovation and investments because of the larger weight of every single flat owner's vote. Decision-making is hampered also in case of high socio-cultural heterogeneity, where preferences and financial possibilities vary to a considerable degree; also in circumstances of a high turnover rate of residents of the block; or a high share of tenants among residents.

*They disturb you at nights, have parties ... because they are not residents, they (tenants renting private flats) simply come and go. And now as we are planning to take the loan – will there be payments from them? Will they keep to due dates? But, of course, we do have debtors also among home occupiers.* (Resident-home occupier, Study 2)

Research results from all included studies show that participating in common decision-making can enhance communication between residents in a block, even if only for those who participate at meetings or are otherwise more engaged in FOA activities. Often such communication does not extend beyond the practicalities of block management, but it may increase the residents' social familiarity and sense of control, and thus, contribute towards confidence in FOA activities and increased satisfaction with the dwelling. Also, being more involved in FOA activities enhances a flat owner's knowledgeability of block management and creates better understanding of the need and practice of renovation issues. Inclusion as an intertwined process of information exchange and engagement in activities develops trust in member relationships and empowers the FOA in the interest of all individual members.

### Overcoming distrust towards block renewal

As pointed out above, the FOA board's management and communicative skills have a crucial significance in bringing the flat owners with different capacities to engage in major investments on the block level. Therefore, the communication and management culture, shaped to a considerable degree by ways in which the FOA board as a key actor provides information and initialises negotiations between flat owners in the block, is central in the formation of residents' perceptions and assessments of the board's professional reliability and for the board to be credited with trust by lay members. To ensure functionality of this relationship, however, presupposes reciprocity in the exchange of information between the regular FOA members and the board, as well as between different members of the board on a daily basis. Open and communicative management of the renovation process by FOA leaders can be seen as a form of resident inclusion by shared information, facilitating familiarisation with the proposed management and renovation strategies.

Our research shows that the perceptions that form over the course of residents' experiences of FOA's management practices appear to be dynamic but not necessarily advancing towards enhanced collective action. Evoked by growing positive experience and evidence of possible beneficial outcomes of the renovation process, prejudiced preconceptions that primarily emanate from the lack of previous experience might be reconsidered over time in favour of collective renovation strategies. Equally, residents may also neglect the participation opportunity, withdraw from or oppose FOA activities in case of negative experiences. Qualitative research clearly indicates that in addition to the dissemination of information on the part of the management, it is important to learn about and consider flat owners' distinct capacities to understand renovation in terms of different aspects of chosen technologies and investment strategies. Missing out on the information flows because of language problems, access to contemporary information channels (internet vs. more traditional

forms: boards, regular letters), or how meetings are organised (time, moderation, manners, etc.), hampers the formation of trust in decision-making processes as well as counteracts the potential individual participation and flat owners' expected sense of responsibility.

*People need to be enlightened a little more about these things. I have stood up for these letters to be posted in residents' mailboxes and on the announcement board, well, because we have old people (in the house) and mail exchange or, not speaking of internet, is far beyond their reach. (Active flat owner, Study 3)*

As it appears from research, the fact that FOA leaders are often home occupiers in the same block has a controversial effect on the formation of trust in the renovation process. On the one hand, these leaders might be preferred by flat owners as they are expected to have higher motivation to act in the best interests of fellow residents. On the other hand, this makes the efficiency of the FOA dependent on the resourcefulness of flat owners willing to take the initiative in the complicated process of FOA management. Especially in case of smaller blocks, dependence on single key persons makes an FOA vulnerable as to the realisation of long-term strategies, if a particular person cannot continue to lead the process.

*this young man next door ... this is due to him, yes, he was the one who set things straight here. But I cannot imagine if he, for example, quits .... Then again, we need to consider what comes next. (Elderly flat owner, Study 3)*

A higher level of familiarity between leaders and members of the FOA may also cause particular contentment, a passive trust, which may obstruct the advancement of FOA activities and initiatives or give birth to passive dispositions and even resentment, regardless of awareness of the need for changes, both on the level of the organisation and the actual initialisation of the renovation work.

*Say this renewal of the house, things could move faster but they lag behind because the chairman (of the FOA) would perhaps need more support and advice. But once he does not get it, he tires out and then he also refuses to embark upon and gives up on this (organisation of renovation in the block). This is so convenient to bring all down on him — let him think and decide, there is no need for us to interfere. You come from work, you are tired and you do not care considering what is really going on in the house. (Resident, Study 2)*

Research results allow us to assert that previously experienced conflict relations between the FOA board and (some of) the individual residents may complicate or even block renovation negotiations. Renovation of any element of a block is a complex issue; in case residents are not professionally active in the related fields, as a rule, their knowledgeability as well as interest in detailed matters is low. If the board is trusted, then the leaders are granted the responsibility and right to choose and present different options in general meetings of flat owners. Conversely, if for some reason FOA leaders have become distrusted (miscommunication, perceived lack of information, generally low involvement of residents, previous misconducts), and common decision-making process is blocked by conflicting attitudes of residents, then external experts acting as mediators in the process are reported in our research as greatly facilitating coming to an agreement. Residents not only need information, but they also look for competent explanations about alternative solutions provided by professionals as trusted experts. The symbolic value of the professionals, based on their position as the 'access points' (Giddens 1990: 88) to expert systems, can conduce the negotiation process to positive results in immediate contact with residents. This is especially due in circumstances where the FOA leaders

lack the necessary professional knowledge and experience. Nevertheless, in line with Giddens (ibid.), it appears that such 'access points' can be a source for increasing trust as well as distrust towards abstract systems. Therefore, a tailor-made approach in counselling and moderating the FOA meetings would be appropriate to fit the situation and to tackle specific problems of a particular FOA. Also, in order to be perceived as trusted experts providing neutral and professionally informed reliable information, the professionals meeting residents should not have direct commercial interests.

Residents' representations reflect that the formation of attitudes is complex and draws on the information obtained from media or social networks, or as individually observed appreciated improvements (as in case of Study 2) in the neighbourhood. Interviews have shown how such knowledge, whether derived from immediate or mediated experiences, is used in ways the flat owners rationalise about different approaches towards renewal issues.

*Well but when you look at the house next to ours, they have done a full renovation, apparently on a bank loan or what. The chairman is a very decisive person and therefore the overhaul. In that sense, you know, the contrast strikes your eye at once, you see how things can and might be done. (Flat owner, Study 3)*

*In case this (expected neighbourhood renewal) really gets started, we thought that ... and everyone supports this ... there is no danger that the prices of flats would go down. Well, the building becomes older, but this does not affect the price when the district is generally in fine shape. This is, no doubt, important. (Flat owner, Study 2)*

While the encouraging experiences of, for example, decreased heating costs, better visual appearances, increasing comforts and many other benefits learned from various sources of information on renovation practices are considered to stimulate collective action, the experiences of conflicting decision-making processes, low construction qualities, high loan payments, etc., tend to have a discouraging effect. Such knowledge, whether gained in form of gossip or balanced information, forms part of the knowledge basis that the flat owners use to ground their attitudes towards possible renovation strategies in their own block. This accrues that strategic communication of the 'best practice' examples and distribution of achievements of energy-efficient renovation by using different media should not be underestimated as a wider policy strategy.

The potential gain from the complex renewal concerns not only technical improvements and economic effects, but is significant also in emotional terms. This implies that satisfaction with the outcome of renovation nurtures a sense of self-achievement and increases flat owners' positive identification with the residence. The latter is considered to highlight a particular dimension in the formation and further maintaining of residential quality, as residents develop higher motivation in engaging in the activities centring round property.

*This is my personal experience ... I meet someone walking a dog in the street and telling me, this is the most beautiful house in the district, which all the others should also follow. (Female, Study 1, renewed block)*

The generally positive reflections on the completed project of a complex block renewal (as in Study 1), as referred to in the previous quotation, suggest that residential identity extending beyond the immediacy of individual flats is predisposed, on the one hand, by individually perceived need for engagement in collective action and achieved through collective action, on the other hand. Overcoming the earlier distrust in collective activities on the block level, even if this had meant distressful new experiences, forms the basis for more sustainable individual and collective residential strategies in the future.

## Public sector contributions

The general observation drawn from all three studies allows us, however, to assert that from the flat owners' point of view, the complex block renewal is cost-effective only if external financial support is available. Furthermore, a group of flat owners cannot afford renovation without financial support at all. External financial support has an economic as well as symbolic effect on the process, especially given the recent public discussions about the possible futures of large-scale housing areas in Estonia. The related debates about demolishing or refurbishing the existing stock have been sending ambivalent messages to flat owners about the meaningfulness of block renovation in these areas. Given the long preparation process of complex renovation, long-term stability of institutional support systems is crucial to prevent the need for FOAs to re-orient their strategies or re-start the complicated negotiations with individual flat owners and other actors. Such experience would be demotivating for the flat owners and would create distrust in housing policy systems at large.

Due to recent economic fluctuations that are echoed in the construction sector in relation to the past boom and current recession, one central question for FOAs has been the availability of capacity to make the right choices in terms of renovation solutions as well as in terms of the professionalism of companies implementing the works (see also Liias & Ojamäe forthcoming 2015). The unstable quality of construction works, known by residents through personal or mediated experiences, defines the level of trust and, hence, the flat owners' willingness to invest in the renovation.

*they renovated the roof and then the (construction) company faded away, you know. And when we faced the problems of the leaking roof again, there was no company to turn to ... as it went broke but continued under another name. So, we had no one to present our claims to. (Flat owner, Study 3)*

The experiences of failed trust in construction companies that prevent FOAs from engaging in renovation of blocks are, on the one hand, the result of FOAs' negative experiences of an attempt to economise by giving up additionally costly professional control over the renovation works and, on the other hand, too little institutional and legal support provided for FOAs-as-clients to act in the construction market in a more equal position against profit-oriented actors. FOAs need support in order to make informed decisions (or, to acknowledge this need in the first place and search further for balanced information), to implement professional building inspection, etc. This is important for ensuring the quality and sustainability of block renovation, as well as enhancing the process of motivating the individual owners to make private investments.

## Discussion and conclusion

The article dwells on an understanding that in case of individual flat ownership, the technological and economical sustainability of housing renewal can be achieved only by recognising and taking into account the individual residents' perceptions of different solutions and their trust-built dispositions to participate in complex strategies of housing renewal. Earlier and current direct experiences of individual participation as well as those of mediated nature ('best practice' cases, media information, etc.), interrelated with the formation as well as evaluative application of individual capacities are conceived as shaping trust as well as mistrust between actors and towards different institutions and collective strategies (other flat owners, FOA, government institutions, market actors, etc.). Hence, trust should be seen as an indispensable prerequisite for improving the quality of blocks in sustainable and future-oriented ways, and therewith, mutually conditioning different dimensions of trust – interpersonal, institutional and social trust. The significance of trust in the relations between

individuals and institutions reveals itself as if a medium to achieve an increase in life quality in blocks in sustainable ways, and as such calls for continuous research, also on an internationally comparative level. Qualitative research, adopted in studies introduced in the current article, which draws on an understanding of reciprocity of agencies and structures bearing upon the formation of collective action, is considered a useful tool for an in-depth enquiry into experiences of resident participation and, more specifically, the formation of trust relations on all levels.

It appears that residents' general attitudes towards renovation and financial strategies form in a way that is inter-related with the owners' sense of obligation and their capacities to consider the best possible ways of increasing the quality and value of one's property in a market-based housing system. Furthermore, it can be concluded that to achieve a satisfactory outcome, block renewal takes more than the provision of economic and technological proficiency. As a form of collective action, block renewal assumes open and communicative process management, which in addition to informed decision-making enables flat owners to acquire an understanding of the process and a sense of control over their investments, and thus, gain their support based on trust in the accomplishment of sustainable renovation.

Although the (active) participation level is low rather than high, the current situation in Estonia speaks of an underused potential of resident inclusion, mainly because of insufficient information exchange between flat owners and the FOA board. In the worst cases, such a situation can lead to distrust and even opposition to any attempts to mobilise owners to make investments. Flexibility in communication and information sharing strategies requires combining different forms, sensitised towards flat owners' different cultural and social capacities to understand and act upon information about specific issues of construction or finances. It is noted that FOA lay members' trust and actual support for renovation, i.e. bringing them to an understanding of the need for individual investments, can be enhanced by the involvement of professional explanations provided by external experts. Thus, it is important that there are respective publicly supported institutional opportunities available at affordable costs for FOAs (e.g. to mediate the complex negotiation processes in FOAs, to ensure quality control of construction works, etc.).

As indicated by Giddens (1990), contemporary societal reality characterised by modern communication and information channels as well as increasingly perceived risks stemming from the individual responsibilities of choices on all levels, feed the scepticism and ambivalent relation also towards the expert knowledge. In the context of the current analysis, such distrust can be articulated in the flat owners' certain disoriented sense of having to make decisions on matters that most of them have no specific knowledge about. Therefore, trust in FOA decisions cannot be taken as self-evident. Having said that, once the FOA board is credited with trust to act on behalf of other flat owners and mediate the information provided by expert systems, in Giddensian terms, it can be considered an ideal case. However, this is due only when other flat owners continue to exercise an active trust, a reflexive, communicative approach characteristic to contemporary society and the related contestations and scepticisms of any kind of expertise (Giddens, 1994). In other words, given the relatively low level of flat owners' motivation to be engaged in FOA activities, a certain level of 'healthy distrust' towards selected leaders can be as desirable as trustful relations between different actors, generally, in the field.

FOAs in Estonia are not comparable to professional housing associations, but rather to non-profit small-scale associations who depend on their members' (here: individual flat owners) capacities in terms of economic resources, knowledge, preferences, initiative. Despite the dominance of flat ownership, the relative persistency of socio-economic and cultural diversity of residents in large-scale housing areas from the pre-ownership-reform era continues challenging FOAs to cope in economic as well as in managerial terms. It can be expected that a slowly progressing homogenisation (losing well-off residents) towards residualisation poses further problems for the future renewal of these blocks. Therefore, the stock requires a continuous policy effort of multifaceted and stable support

systems to back the FOAs' capacity in technical and economic terms as well as in broad terms of management, and to secure this way sustainable renewal of the existing housing stock and urban areas. It is suggested that an analysis of the Estonian experience could be of relevance to countries of similar housing historical paths and beyond, considering the universal need for trust building and the specific contexts of managing the complex issue of housing renewal.

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